



Alan C. Lloyd, Ph.D.  
Agency Secretary

# State Water Resources Control Board

## Division of Financial Assistance

1001 I Street, 16<sup>th</sup> Floor • Sacramento, California 95814 • (916) 341-5700  
Mailing Address: P.O. Box 944212 • Sacramento, California • 94244-2120  
FAX (916) 341-5707 • Internet Address: <http://www.waterboard.ca.gov>



Arnold Schwarzenegger  
Governor

**TO:** Debbie Irvin, Clerk  
**EXECUTIVE OFFICE**

**FROM:** *ORIGINAL SIGNED BY*  
Barbara L. Evoy, Chief  
**DIVISION OF FINANCIAL ASSISTANCE**

**DATE:**

**SUBJECT:** REVISED RESPONSES TO COMMENTS; PROPOSED AMENDMENTS TO  
THE POLICY FOR IMPLEMENTING THE STATE REVOLVING FUND (SRF)  
LOAN PROGRAM TO INCORPORATE SUSTAINABILITY OF WATER  
RESOURCES

On September 2, 2005, the Division of Financial Assistance (Division) sent you a memo summarizing the public comments and staff responses regarding the proposed SRF Policy amendments on the State Water Board's September agenda. A copy of the September 2, 2005 memo is attached for your convenience as well as the latest version of the language that will be presented to the State Water Board at its September 22, 2005 meeting (i.e., Exhibit A.) The Division has made additional changes to the proposed amendments to incorporate minor comments by legal staff and to further address two related comments from our stakeholders on the proposed language for Section IX.D. "General Planning."

The stakeholders expressed concern that the proposed Section IX.D. "General Planning" would require applicants to exceed their legal authority or their technical abilities and may delay or obstruct the loan application process.

Below are the revised staff responses to comments 3 and 4 in the September 2, 2005 memo.

### 3. Comment:

One comment expressed concern that jurisdictions that are built out and need funding assistance to upgrade wastewater systems to address health and safety issues not be put at a disadvantage compared to other jurisdictions. Several other comments suggested that information supplied by applicants in Section IX.A.11 regarding state planning priorities should be informational only and not used to rank or determine eligibility of a proposed project.



**Staff Response:**

Staff agrees that information applicants submit regarding state planning priorities in Section IX.A.11 should be informational only and recommends adding the following wording to Section IX.A.11 of the SRF Policy:

“The information provided in Section IX.A.11 is for information purposes only and ~~shall~~is not intended to affect the priority or eligibility of a project requesting SRF funding.”

**4. Comment:**

We received two related comments on Section IX.D. “General Planning.” The first commentator suggested that the proposed amendments would require a certification process which was outside the applicant’s legal authority or technical ability~~could be a burden on applicants to demonstrate compliance.~~

The second commentator expressed concern that in certain jurisdictions, and especially those with numerous entities, an individual city or county could disagree with certain aspects of a larger project and delay or obstruct the loan application process.

**Staff Response:**

Staff recommends a compromise between the language suggested in the comment and the need to have a certification process. The intent of the certification process is not to be an undue burden on applicants or their authorized representatives. Staff recommends the following wording for General Planning Section IX.D:

“If the applicant is responsible for adopting the general plan for the area affected by a proposed project, the ~~State Water Board Division~~ shall may not give facilities plan approval for the project until the applicant’s authorized representative has certified that the applicant has adopted the “land use” and “housing” elements of its general plan and that the project is consistent with the adopted ~~land use and housing elements~~general plan.

If the applicant is not responsible for adopting the general plan(s) for the area affected by the project, then the ~~State Water Board Division~~ shall may not give facilities plan approval until the applicant’s authorized representative certifies that at least seventy-five (75) percent of the area affected by the project includes cities and counties with adopted land use and housing elements. The applicant’s authorized representative ~~shall will~~ also certify document that the applicant ~~has notified the agency(ies) responsible for adopting reviewed those the~~ plan(s) and provided a reasonable opportunity to comment on the project’s consistency with the plan(s).~~determined that its project is consistent with those~~ The applicant’s authorized representative ~~shall will~~ certify that the applicant considered those comments during development of the project.~~adopted land use and housing elements.”~~

All public comments have been reviewed, and where appropriate, incorporated into the draft SRF Policy amendments. If adopted at the September 22, 2005 Board meeting, the proposed amendments would only apply to projects receiving facilities plan approval from the Division after September 22, 2005.

If you have any questions, please call Christopher Stevens at (916) 341-5698.

#### Attachments

cc: Celeste Cantú  
Beth Jines  
Juanita Licata, Environmental Protection Agency  
Barbara Evoy, DFA  
Darrin Polhemus, DFA  
Allan Patton, DFA  
Christopher Stevens, DFA  
Sudhakar Talanki, DFA  
Julé Rizzardo, DFA  
Jennifer August, DFA

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